

Message Text

UNCLASSIFIED

PAGE 01 MONTEV 02904 291617Z
ACTION ARA-14

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-01
INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06
SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04
CEA-01 L-03 H-02 PA-02 USIE-00 PRS-01 /102 W
-----004894 292212Z /75

R 291501Z JUL 77
FM AMEMBASSY MONTEVIDEO
TO SECSTATE WASHDC 4343

UNCLAS MONTEVIDEO 2904

E.O. 11652: N/A
TAGS: ECON, EFIN, UY
SUBJ: PESO DEVALUATION

1. ON JULY 27, THE CENTRAL BANK AUTHORIZED A DEVALUATION OF THE COMMERCIAL RATE FOR THE PESO (THE THIRD OF THE MONTH AND TWELFTH OF THE YEAR) OF 1.67 PERCENT.
2. SINCE DECEMBER OF LAST YEAR THE PEGGED COMMERCIAL RATE HAS LAGGED BEHIND THE FREE FINANCIAL RATE; THEY ARE NOW NEAR PARITY, AT LEVELS OF 4.71/4.76 AND 4.715/4.72, RESPECTIVELY.
3. IT APPEARS THAT THE CENTRAL BANK IS MOMENTARILY MOVING TO NEUTRALIZE THE EFFECT OF THE FALLING INTERNATIONAL RELATIVE PRICE OF THE DOLLAR BY CONTINUING THE DEVALUATION OF THE PESO AGAINST IT. DURING THE CURRENT YEAR, HOWEVER, WHILE THE COST OF LIVING HAS RISEN BY OVER 30 PERCENT, TOTAL PESO DEVALUATION AGAINST THE DOLLAR HAS AMOUNTED TO ONLY 19 PERCENT, INDICATING THE GAIN OF RELATIVE STRENGTH OF THE PESOS AGAINST THE DOLLAR.

HAAHR

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NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PESO, DEVALUATIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 29-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977MONTEV02904
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Document Unique ID: 00
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Executive Order: N/A
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Litigation Codes:
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Office: ACTION ARA
Original Classification: UNCLASSIFIED
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Original Previous Classification: n/a
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Review Exemptions: n/a
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Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1838028
Secure: OPEN
Status: NATIVE
Subject: PESO DEVALUATION
TAGS: ECON, EFIN, UY
To: STATE
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vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/f9f9356a-c288-dd11-92da-001cc4696bcc
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